

**PEACE OVER VIOLENCE
(A NONPROFIT CALIFORNIA
CORPORATION)**

FINANCIAL STATEMENTS

**Year ended
June 30, 2008**

DATE RECEIVED:



AUDIT REVIEW #(s) 05126

Assigned To: Kolbe

Date Reviewed: 8-18-09

Reviewer's Initials: JK

Date Review(s) Completed: 8-18-09

**PEACE OVER VIOLENCE
(A NONPROFIT CALIFORNIA CORPORATION)**

June 30, 2008

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Peace Over Violence
Los Angeles, California

We have audited the accompanying statement of financial position of Peace Over Violence (a non-profit California Corporation) as of June 30, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Peace Over Violence as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2009 on our consideration of Peace Over Violence's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Peace Over Violence as a whole. The accompanying schedule of expenditures of federal awards and schedule of grant expenses are presented for purposes of additional analysis as required by United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State of California, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Marguerite K. Wechsler, CPA

January 14, 2009

**PEACE OVER VIOLENCE
(A NONPROFIT CALIFORNIA CORPORATION)**

STATEMENT OF FINANCIAL POSITION

June 30, 2008

ASSETS

Current assets	\$ 349,760
Cash	510,495
Grants receivable	67,883
Prepaid expenses	<u> </u>
Total current assets	928,138
Deposits	7,836
Equipment - net	<u>15,231</u>
Total assets	<u><u>\$ 951,205</u></u>

LIABILITIES AND NET ASSETS

Current liabilities	111,950
Accrued liabilities	309,546
Advances on grants	<u> </u>
Total current liabilities	421,496
Commitments and contingencies (Note 4)	
Unrestricted net assets	<u>529,709</u>
Total liabilities and net assets	<u><u>\$ 951,205</u></u>

The accompanying notes are an integral part of these financial statements.

PEACE OVER VIOLENCE
(A NONPROFIT CALIFORNIA CORPORATION)

STATEMENT OF ACTIVITIES

For the year ended June 30, 2008

Revenues, gains and other support	\$ 365,939
Special events	158,612
Contributions - general	1,078,849
Government grants, including federal grants of \$857,051	66,102
Allocation from United Way	461,894
Foundations	745
Interest	36,444
Other	<u> </u>
Total revenues, gains and other support	<u>2,168,585</u>
Expenses:	
Program services	1,643,558
Management and general	388,756
Fund-raising	<u>110,476</u>
Total expenses	<u>2,142,790</u>
Change in net assets	25,795
Beginning unrestricted net assets	<u>503,913</u>
Ending unrestricted net assets	<u><u>\$ 529,708</u></u>

The accompanying notes are an integral part of these financial statements.

**PEACE OVER VIOLENCE
(A NONPROFIT CALIFORNIA CORPORATION)**

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2008

	Program Services	Supporting Services		Total Expenses
		Management & General	Fundraising	
Salaries and benefits	\$ 1,142,327	\$ 151,393	\$ 82,578	\$ 1,376,298
Outside services	69,309	182,755	-	252,064
Occupancy	132,916	17,616	9,609	160,141
Telephone	37,672	4,992	2,723	45,387
Postage and shipping	9,205	1,220	666	11,091
Supplies	45,122	5,980	3,262	54,364
Printing	54,262	7,192	3,923	65,377
Travel	22,658	3,003	1,638	27,299
Depreciation	1,831	242	132	2,205
Meetings and conferences	45,997	3,463	-	49,460
Miscellaneous	30,981	4,105	2,239	37,325
Insurance	21,436	2,841	1,549	25,826
Equipment	29,841	3,954	2,157	35,952
Total expenses	\$ 1,643,558	\$ 388,756	\$ 110,476	\$ 2,142,789

The accompanying notes are an integral part of these financial statements.

**PEACE OVER VIOLENCE
(A NONPROFIT CALIFORNIA CORPORATION)**

STATEMENT OF CASH FLOWS

For the year ended June 30, 2008

Cash flows from operating activities:	
Cash received as public support and revenue	\$ 2,446,084
Cash paid to employees and other costs	<u>(2,151,372)</u>
Net cash provided by operating activities	294,712
Cash flows from investing activities:	
Capital expenditures / net cash used in investing activities	<u>(6,680)</u>
Net increase in cash	288,032
Cash at beginning of year	<u>61,728</u>
Cash at end of year	<u><u>\$ 349,760</u></u>
Reconciliation of change in unrestricted net assets to net cash provided by operating activities:	
Change in unrestricted net assets	<u>\$ 25,796</u>
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:	
Depreciation	2,205
Changes in assets and liabilities:	
Decrease in grants receivable	39,810
Increase in prepaid expenses	(9,198)
Decrease in accrued liabilities	(1,589)
Increase in advances on grants	<u>237,688</u>
Total adjustments	<u>268,916</u>
Net cash provided by operating activities	<u><u>\$ 294,712</u></u>

The accompanying notes are an integral part of these financial statements.

**PEACE OVER VIOLENCE
(A NONPROFIT CALIFORNIA CORPORATION)**

NOTES TO FINANCIAL STATEMENTS

1 Program Description

Peace Over Violence ("POV") formerly Los Angeles Commission on Assaults Against Women is a private non-profit social service agency concerned with the counseling and aiding of victims of sexual assault and domestic violence. POV provides crisis intervention, prevention, advocacy, and support services whenever necessary. These services range from self-defense workshops and seminars, to counseling of individuals and families, and advocacy and accompaniment programs. POV is supported primarily through contributions and grants.

2 Summary of significant accounting policies

Basis of Preparation

The financial statements are presented in accordance with the Financial Accounting Standards Board in its Statement of Financial Accounting Standards ("SFAS") Number 117, Financial Statements of Not-For-Profit Organizations. Under SFAS Number 117, POV is required to report information regarding its financial position and activities according to three classifications of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Expendable Restricted Resources

Operating funds restricted by the grantor for particular operating purposes are deemed to be earned and reported as revenues of operating funds when POV has incurred expenditures in compliance with the specific restrictions. Such funds received but not yet earned are reported as advances on grants.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Equipment

Equipment is stated at cost and depreciated on the straight-line method over useful lives of five years.

**PEACE OVER VIOLENCE
(A NONPROFIT CALIFORNIA CORPORATION)**

NOTES TO FINANCIAL STATEMENTS

2 Summary of significant accounting policies

Income Taxes

POV was organized pursuant to the General Non-profit Corporation Law of the State of California. POV has been determined to be exempt from Federal income and California franchise taxes under Section 501(c)(3) of the Internal Revenue code and corresponding California provisions.

Contributions

POV accounts for contributions in accordance with the Financial Accounting Standards Board in SFAS Number 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS Number 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decrease of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Cash Equivalents

For purposes of the statement of cash flows, POV considers all highly liquid investments, with a maturity of three months or less to be cash equivalents.

**PEACE OVER VIOLENCE
(A NONPROFIT CALIFORNIA CORPORATION)**

NOTES TO FINANCIAL STATEMENTS

3 Equipment

Equipment at June 30, 2008 consists of the following:

Equipment	\$164,545
Less: Accumulated Depreciation	<u>(149,314)</u>
Equipment – net	<u>\$ 15,231</u>

During 2008 POV incurred \$2,205 of depreciation expense.

4 Commitments and contingencies

Commitment

POV rents their facilities under the following leases:

Headquarters under a five year lease expiring July 31, 2009 calling for minimum monthly payments approximating \$6,700.

Pasadena satellite under a five year lease expiring April 30, 2010 calling for minimum monthly payments approximating \$3,580.

Van Nuys satellite under a month-to-month lease calling for minimum monthly payments of \$300. Future minimum annual lease payments as of June 30, 2008 are as follows:

2009	\$123,360
2010	<u>42,500</u>
Total minimum annual lease payments	<u>\$165,860</u>

During 2008 POV incurred \$160,141 of rent expense.

Government Contracts

Revenues from government contracts are recorded to the extent expenses under the contracts are incurred. Revenues recorded under the contracts are subject to government audit and adjustment. Management believes it has complied with all applicable contract provisions.

**PEACE OVER VIOLENCE
(A NONPROFIT CALIFORNIA CORPORATION)**

NOTES TO FINANCIAL STATEMENTS

5 Other revenue

Other revenue consists of program and training fees charged by POV to participants in POV sponsored programs.

6 Donated services

Many individuals volunteer their time and perform a variety of tasks that assist POV's programs, but these services do not meet the criteria for recognition as contributed services.

**PEACE OVER VIOLENCE
(A NONPROFIT CALIFORNIA CORPORATION)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2008**

<u>Funding Source/Pass through Grantor</u>	<u>CFDA</u>	<u>Contract Number</u>	<u>Expenditures</u>
DIRECT AWARD:			
U.S. Department of Justice			
Training to Stop Abuse and Sexual Assault of Older Individuals or Individuals With Disabilities	16.525	2003-EW-BX-0015	<u>\$306,853</u>
Total direct awards			<u>306,853</u>
PASS-THROUGH AWARDS:			
U.S. Department of Justice			
University of Southern California			
Violence Prevention Project	16.525	2003-WA-BX-0010	<u>109,883</u>
State of California			
Office Criminal Justice Planning			
Crime Victim Assistance	16.575	RC 07-121004	153,336
Crime Victim Assistance	16.575	RC 07-271004	<u>175,835</u>
Sub-total CFDA 16.575			<u>329,171</u>
State of California			
Office Criminal Justice Planning			
Violence Against Women Formula Grants	16.588	SA 06-091004	15,169
Violence Against Women Formula Grants	16.588	SA 06A-091004	18,175
Violence Against Women Formula Grants	16.588	RC 07-121004	40,400
Violence Against Women Formula Grants	16.588	RC 07-271004	<u>40,400</u>
Sub-total CFDA 16.588			<u>114,144</u>
Total Pass through awards			<u>553,198</u>
Total Federal Awards			<u>\$857,051</u>

See accompanying independent auditors' report.

**PEACE OVER VIOLENCE
(A NONPROFIT CALIFORNIA CORPORATION)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2008**

Note:

Basis of Presentation: The accompanying schedule of expenditures of federal awards includes the federal grant activity of Peace Over Violence and is presented on the accrual basis of accounting. The information in that schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**PEACE OVER VIOLENCE
(A NONPROFIT CALIFORNIA CORPORATION)**

**SCHEDULE OF GRANT EXPENSES
June 30, 2008**

07-08 Contracts

	RC 07-271004	RC 07-121004
Personnel services	\$208,779	\$189,845
Operating expenses	75,459	63,193
Equipment	<u>-</u>	<u>-</u>
	<u>\$284,238</u>	<u>\$253,038</u>

06-07 Contracts Note 1:

	SA 06-091004	SA 06A-091004
Personnel services	\$ 48,463	\$ 45,451
Operating expenses	11,137	14,149
Equipment	<u>1,000</u>	<u>1,000</u>
	<u>\$ 60,600</u>	<u>\$ 60,600</u>

Note 1: For the 06-07 contracts the entire expenditures of the grant have been reported in this schedule in order to facilitate the State of California's reconciliation process.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Peace Over Violence
Los Angeles, California

We have audited the financial statements of Peace Over Violence as of and for the year ended June 30, 2008, and have issued our report thereon dated January 14, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Peace Over Violence's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Peace Over Violence's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Peace Over Violence's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Peace Over Violence's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Maguire Knecht & McDuffy, LLP

January 14, 2009



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Knechtel & McIntyre LLP**
Certified Public Accountants and Consultants

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
Peace Over Violence
Los Angeles, California

Compliance

We have audited the compliance of Peace Over Violence with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2008. Peace Over Violence's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Peace Over Violence's management. Our responsibility is to express an opinion on Peace Over Violence's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Peace Over Violence's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Peace Over Violence's compliance with those requirements.

In our opinion, Peace Over Violence complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Peace Over Violence is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Peace Over Violence's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Peace Over Violence's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Magnum Knesheld & Associates, LLP
January 14, 2009

**PEACE OVER VIOLENCE
(A NONPROFIT CALIFORNIA CORPORATION)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008**

Component 1 – Summary of Audit Results:

The audit of Peace Over Violence ("POV") June 30, 2008 financial statements, schedule of expenditures of federal awards, and schedule of grant expenses resulted in an unqualified opinion.

The June 30, 2007 Single Audit Report contained no findings and recommendations. Accordingly, during the year ended June 30, 2008 POV was not required to take any actions in response to the June 30, 2007 audit. The opinion on compliance on the major programs is unqualified. We report no conditions or findings that are required to be reported in accordance with Section 510a of OMB Circular A-133. The results of our tests disclosed no instances of noncompliance which are material to the financial statements.

Major Program:

U.S. Department of Health and Human Services 93.991.

Threshold used to distinguish between Type A and B programs:

\$300,000.

Low-risk auditee:

POV did qualify as a low risk auditee.

Component 2 – Financial Statement Findings:

None.

Component 3 – Federal Awards Findings and Questioned Costs:

None.

**PEACE OVER VIOLENCE
(A NONPROFIT CALIFORNIA CORPORATION)
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2008**

None